
OLR Bill Analysis

sHB 6327

AN ACT CONCERNING THE ENHANCED EMERGENCY 9-1-1 PROGRAM.

SUMMARY:

Current law requires the Department of Public Utility Control (DPUC) to determine, and telecommunications service providers to assess, a monthly fee (currently 50 cents) on subscribers of telecommunications services. The fees pay for the Enhanced 9-1-1 (E 9-1-1) program. This bill eliminates the monthly fee for subscribers of prepaid wireless telephone services and, instead, levies a 50-cent fee (prepaid wireless E 9-1-1 fee) on each purchase of prepaid wireless telecommunications services from a retailer. For example, a person who buys telephone minutes once per month pays 50 cents; a person who buys minutes four times pays \$2.

The bill requires retailers to collect the prepaid wireless E 9-1-1 fee. It allows them to keep 1% of the amount collected and requires them to remit the balance to the Office of the State Treasurer for deposit in the E 9-1-1 Telecommunications Fund.

The bill specifies that providers and sellers of prepaid wireless telecommunications services are not liable for damages to anyone resulting from (1) providing lawful assistance to law enforcement officers, (2) providing, or failing to provide, 9-1-1 or E 9-1-1 service or (3) identifying, or failing to identify, information associated with anyone accessing or attempting to access 9-1-1 or E 9-1-1 service.

EFFECTIVE DATE: January 1, 2012

PREPAID WIRELESS FEES

E 9-1-1 Fee Assessment and Collection

Under current law, DPUC must determine the monthly fee to be

assessed on subscribers of the following telecommunications services: (1) local telephone, (2) commercial mobile radio service (e.g., cell phone), (3) voice over Internet protocol, and (4) prepaid wireless telephone service. The fee, which by law is capped at and is currently 50 cents, pays for the E 9-1-1 program.

The bill creates a separate assessment method for and replaces the monthly assessment on people who buy prepaid wireless telecommunications service with a 50-cent per transaction assessment. The bill replaces the term “prepaid wireless telephone service” with “prepaid wireless telecommunications service” to reflect the enhanced capability of current technology. It defines “prepaid wireless telecommunications service” as a service that a consumer pays for in advance, allowing him or her to access the E 9-1-1 system by dialing 9-1-1. The service is sold in predetermined units of minutes or dollars, which decline with use.

Collection and Remittance of E 9-1-1 Fees

The bill requires Connecticut retailers to collect the prepaid wireless E 9-1-1 fee from consumers whenever they buy prepaid wireless communications services.

The bill allows them to retain 1% of the fees and requires them to remit the balance to the state treasurer for deposit in the E 9-1-1 Telecommunications Fund no later than 30 calendar days after the collection. Under current law, wireless service providers assess the monthly fee against their subscribers and pay a fee to the state treasurer for deposit in the fund.

The retailers must disclose the amount of the fee to consumers in an invoice, a receipt, other similar document, or in some other manner.

A retail transaction must be treated as occurring in Connecticut if it is (1) made in the consumer’s presence at the retailer’s business place in Connecticut or (2) treated as a Connecticut transaction for sales and use tax purposes.

Consumers are liable for paying the prepaid wireless E 9-1-1 fee.

Sellers and providers of prepaid wireless telecommunications services have no liability, except that they must remit any fees they collect, including any fees not separately stated on an invoice, receipt, or other similar document they give to the consumer.

Treatment of Prepaid Wireless E 9-1-1 Fees for Tax Purposes

The amount of the prepaid wireless E 9-1-1 fees that sellers collect must not be included in the base for measuring any tax, fee, surcharge, or other charge that the state, any state political subdivision, or any intergovernmental agency imposes on a seller, as long as the seller separately stated the amount in an invoice, receipt, or other similar document provided to the consumer.

Liability of Sellers and Providers

Under the bill, providers or sellers of prepaid wireless telecommunications services are not liable for damages to anyone resulting from or incurred in providing lawful assistance to any investigative or law enforcement officer, in connection with any lawful investigation or other law enforcement activity. They are also not liable for damages to anyone resulting from or incurred in connection with the provision of, or failure to provide, 9-1-1 or E 9-1-1 service, or for identifying, or failing to identify, the telephone number, address, location, or name associated with any person or device accessing or attempting to access 9-1-1 or E 9-1-1 service.

BACKGROUND

The E 9-1-1 System and Funding

The E 9-1-1 system provides dispatch services to people who call 9-1-1. The public safety commissioner must annually determine the amount of funds needed to develop and administer the system. Funding for the system is generated by a monthly surcharge levied on all phone lines (CGS § 28-30a). DPUC sets the surcharge based on cost and usage data provided by the Office of State-Wide Emergency Telecommunications (OSET).

Current rates are at the statutory cap of 50 cents per month for subscribers with a single telephone line (CGS § 16-256g). Subscribers

with multiple lines are assessed on a sliding scale, starting at 50 cents for the first line. Subscribers pay the surcharge to their telephone service provider which, in turn, remits it to OSET monthly for deposit in the E 9-1-1 Telecommunications Fund.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute Change of Reference

Yea 23 Nay 0 (03/15/2011)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 49 Nay 0 (04/18/2011)